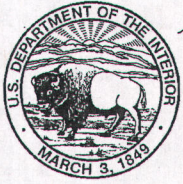


5/623/0029
Wayne



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Fillmore Field Office

95 E 500 N

Fillmore, UT 84631

<http://www.blm.gov/ut/st/en/fo/fillmore.html>



RECEIVED

OCT 24 2016

DIV. OF OIL, GAS & MINING

In Reply Refer to:
3809 [U-010]
(UTU 092101)

October 17, 2016

CERTIFIED MAIL# 7012 0640 0003 6770 3470

WILLIAM T. JACOBSON
CLEARWATER GROUP, INC..
2829 RINGO DRIVE
MISSOULA, MT 59804

Dear Mr. Jacobson:

The Clearwater Group Inc. (Clearwater) Notice to conduct exploration activity at the Lost Sheep Mine located in Juab County was received in this office on October 4, 2016. The Notice has been assigned Bureau of Land Management (BLM) case file number UTU 092101. Please refer to this number in future correspondence concerning this operation.

Consistent with the surface management regulations at 43 CFR 3809.311(a), the BLM has reviewed the Notice to determine if it meets the content requirements at 43 CFR 3809.301(b). Based on our review, the following information is required from Clearwater in order for the Notice to be complete:

1. Please provide information on measures to prevent unnecessary or undue degradation during operations (43 CFR 3809.5).
2. Provide list of equipment for project. A generalized list is sufficient.
3. A reclamation cost estimate is required in order for your Notice to be considered complete (43 CFR 3809.301(b)(4)). Please provide this estimate in accordance with the requirements at 43 CFR 3809.552. All areas used will need to be included in the cost estimate this includes the tunnel and rock storage areas. The DOGM Exploration Bonding Worksheets are a good start:
(http://linux3.ogm.utah.gov/WebStuff/wwwroot/minerals/bonding_worksheets.html).

4. Please provide a Reclamation Plan as per 43 CFR 3809.420. The plan should include a step by step list of procedures and methods for the tunnel and rock storage areas. The plan will form the basis for return of the reclamation bond.
5. Please document/verify all work locations including tunnel, ore and waste rock storage areas on a location map, a Google Earth aerial photograph will suffice.

Until a complete Notice is filed with this office, the BLM is unable to determine that your proposed operations will not result in unnecessary or undue degradation as defined under 43 CFR 3809.5. In addition, we are unable to make a determination as to the amount of the required financial guarantee.

Please submit the required information at your earliest convenience. Until we receive this information your Notice cannot be processed and the proposed exploration activity is not to take place. Conducting the proposed activities before filing an acceptable Notice as required by 43 CFR 3809.21 is a prohibited act under 43 CFR 3809.605(b). Failure to suspend all unauthorized activities will result in enforcement action under 43 CFR 3809.601.

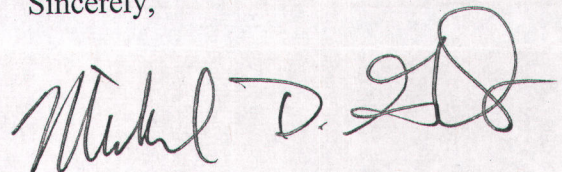
For your reference, please feel free to follow the following link to the 3809 Surface Management Handbook and 43 CFR 3809:

http://www.blm.gov/style/medialib/blm/wo/Information_Resources_Management/policy/blm_handbook.Par.9375.File.dat/3809%20Handbook.pdf

http://www.blm.gov/wo/st/en/prog/planning/nepa/webguide/cfr/43_cfr_3809.html

If you have any questions on these information requests, please contact Todd Leeds of my staff at 435-743-3115.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael D. Gates", with a stylized flourish at the end.

Michael D. Gates
Field Manager

cc: Wayne Western, UDOGM
1594 W. North Temple, Suite 1210
Salt Lake City, UT 84114